

To: Strauss, Alexis[Strauss.Alexis@epa.gov]
Cc: Albright, David[Albright.David@epa.gov]; Drake, Kerry[Drake.Kerry@epa.gov]
From: Dermer, Michele
Sent: Thur 5/23/2013 6:28:02 PM
Subject: RE: Sussman mtg

Thanks for sharing.

Aquifer exemptions - we are not looking at re-evaluating the delegation of the program, but we have asked CA DOGGR to straighten out the exemptions that have not kept pace with the original primacy application, particularly where field boundaries have expanded. The "cartoons" are being loaded into GIS, but that effort is not complete.

Carbon Sequestration - we had received an application for a project in Bakersfield area (Kimberlina project) but the DOE funding was supposedly lost. Not sure what they mean by lack of expertise.

Michele

From: Drake, Kerry
Sent: Thursday, May 23, 2013 11:02 AM
To: Strauss, Alexis; Dermer, Michele
Subject: RE: Sussman mtg

Thank you!

From: Strauss, Alexis
Sent: Thursday, May 23, 2013 10:53 AM
To: Dermer, Michele; Drake, Kerry
Subject: Sussman mtg

Michele and Kerry,

Apologies for not sending you more promptly my notes from the meeting of Bob Sussman and the CA Independent Producers Association, as I audited the call on May 2 and took notes. Present in HQ were OAR (Scott Mathias, others), OGC (Air), OW's Kopocis/Stoner/Grevatt, OSWER and others too far from the microphone to be heard.

CIPA is a 500+ member organization based in Sacramento, of whom 170+ are oil/gas producers, in the "upstream" phase of production. They raised 3 issues to Bob S:

- a. SJV non-attainment, "a mature issue";

- b. Water injection/aquifer exemption (2 bil gals per annum); and
- c. Enhanced oil recovery/carbon sequestration.

SJV non-attainment: oil production is focused in SVJ and the LA Basin (70% of all oil produced in CA comes from Kern County). Combustion rules are problematic, BACT SJV (issues from the 1970s, 1980s) re economic feasibility and transport of pollutants from other areas, ongoing discussions with Sayed. HQ noted State has flexibility, a 20-year time horizon, stay engaged with Sayed, praised Deborah and Kerry's involvement/progress.

Aquifer exemption: 1983 UIC primacy from EPA grandfathered in aquifer exemptions, some need to be revisited (and thus, does EPA delegation need to be re-examined?). Injection is key to CA oil production, Bakersfield is the #1 job-creating county in the US (can this be true? Jared seemed skeptical). Noted that CDOGR's files of aquifer-exemption boundaries from the early 1980s resemble rough cartoons, not scientifically reliable or valid now.

Carbon sequestration/enhanced oil recovery: AB32 not yet integrated into their operations, hoping to change this. Carbon is captured at refineries in LA and Bay Area, how to apply this in Kern? Approached CARB, which lacks expertise. Can EPA help CARB with expertise to define accepted practices/innovative production methods? HQ offered SDWA Class VI well guidances re carbon capture (helpful? Relevant?), offered to connect them with DOE, which is active on carbon capture/sequestration demo project, which could have results translatable to CA/CARB.

Participants listed on agenda: Rock Zierman (CIPA), Ashley Costa and Robt Poole (Santa Maria Energy), James Hall (Drilling and Production), John Miller (MacPherson Energy), Ryan Nielsen (Brown Armstrong Acc'ting), Trent Rosenlieb (Berry Petroleum), John Martini and Steven Rusch (Plains Exploration and Production), Jeffrey and Cam Smith (Marantha Petroleum).